



## **The Punjab Agricultural Produce Markets Act, 1961**

Act 23 of 1961

**Keyword(s):**

**Agricultural Produce, Broker, Committee, Co-operative Society, Dealer, Godown Keeper, Market, Market Proper, Notified Market, Principal Market Yard, Retail Sale, Secretary, Trade Allowance, Producer, APMC**

**DISCLAIMER:** This document is being furnished to you for your information by PRS Legislative Research (PRS). The contents of this document have been obtained from sources PRS believes to be reliable. These contents have not been independently verified, and PRS makes no representation or warranty as to the accuracy, completeness or correctness. In some cases the Principal Act and/or Amendment Act may not be available. Principal Acts may or may not include subsequent amendments. For authoritative text, please contact the relevant state department concerned or refer to the latest government publication or the gazette notification. Any person using this material should take their own professional and legal advice before acting on any information contained in this document. PRS or any persons connected with it do not accept any liability arising from the use of this document. PRS or any persons connected with it shall not be in any way responsible for any loss, damage, or distress to any person on account of any action taken or not taken on the basis of this document.

THE PUNJAB AGRICULTURAL PRODUCE MARKETS ACT,  
1961  
(PUNJAB ACT NO. 23 OF 1961)

*Arrangement of sections*

SECTIONS.

1. Short title, extent and commencement.
2. Definitions.
- 2-A. Construction of certain references in the Act.
3. State Agricultural Marketing Board, constitution, powers and duties.
- 3-A. The power of the Board in respect of the transferred territory and the Union Territory of Chandigarh.
4. Advisory Committees.
5. Notification of intention of exercising control over purchase, sale, storage and processing of agricultural produce in specified area.
6. Declaration of notified market area.
7. Declaration of market yards.
8. No private market to be opened in or near places declared to be markets.
9. Authority to whom applications for grant of licences are to be made.
10. Applications for licences, fees to be paid and cancellation or suspension of licences.
11. Establishment of market committee.
12. Constitution of committee.
13. Duties and powers of committee.
14. Term of office of members.
15. Removal of members.
16. Election of Chairman and Vice-Chairman.
17. Filling of vacancies.
18. Incorporation of committees.
19. Appointment of sub-committees and joint committees and delegation of powers.
20. Appointment and salaries of officers and servants of committees.
21. Persons who are to be deemed public servants, within the meaning of section 21 of the Indian Penal Code.

22. Execution of Contracts.
23. Levy of fees.
24. Octroi not payable on certain agricultural produce.
25. Marketing Development Fund.
26. Purposes for which the Marketing Development Fund may be expended.
27. Market Committee Fund.
28. Purposes for which the Market Committee Funds may be expended.
29. Liability of member or employee of Committees or the Board.
30. No Trade Allowance permissible except as prescribed.
31. Bar of suit in absence of notice.
32. Power to borrow.
33. Power to call information, inspect, enforce attendance and to suspend actions, etc., of Committees.
34. Acquisition of land for the Board and Committees.
35. Supersession of Committees.
36. Emergency powers.
37. Penalties.
38. Power of State Government to amend the Schedule.
39. Trial of offences.
40. Appeal.
41. Recovery of sums due to State Government from Committees.
42. Revision.
43. Power to make rules.
44. Bye-laws.
45. Power to write off irrecoverable fees, etc.
46. Power to compound offences.
47. Repeal and Savings.

## THE SCEDULE.

**[THE PUNJAB AGRICULTURAL PRODUCE  
MARKETS ACT, 1961.**

(PUNJAB ACT, No. 23 OF 1961)

*[Received the assent of the President of India on the 18th May, 1961, and first published for general information in the PUNJAB GOVERNMENT GAZETTE (EXTRAORDINARY), Legislative Supplement, of the 26th May, 1961.]*

1	2	3	4
Year	No.	Short title	Whether Affected by Legislation
1961	23	The Punjab Agricultural Produce Markets Act, 1961	Amended by Punjab Act 3 of 1962 <sup>1</sup> . Amended by Punjab Act 23 of 1962 <sup>2</sup> . Amended by Punjab Act 40 of 1963 <sup>3</sup> . Amended by Punjab Act 2 of 1966 <sup>4</sup> . Amended by G.O.I. Order S.O. 3021, dated 18th July, 1969. Amended by Punjab Act 25 of 1969 <sup>5</sup> . Amended by Punjab Act 17 of 1973 <sup>7</sup> .

*An Act to consolidate and amend the law relating to the better regulation of the purchase, sale, storage and processing of agricultural produce and the establishment of markets for agricultural produce in the State of Punjab.*

BE it enacted by the Legislature of the State of Punjab in the Twelfth Year of the Republic of India as follows :—

1. (1) This Act may be called the Punjab Agricultural Produce Markets Act, 1961.

Short title,  
extent and  
commence-  
ment.

<sup>1</sup>For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1961, page 1047.

<sup>2</sup>For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1962, page 512.

<sup>3</sup>For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1962, page 1640.

<sup>4</sup>For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1963, page 1343.

<sup>5</sup>For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1965, page 11.06.

<sup>6</sup>For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary) 1969, page 1070.

<sup>7</sup>For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary) 1973, page 319.

<sup>1</sup>[(2) It extends to the States of Punjab and Haryana, the territories transferred to the Union territory of Himachal Pradesh under section 5 of the Punjab Reorganisation Act, 1966 (31 of 1966) and the Union territory of Chandigarh.]

(3) It shall come into force at once.

**Definitions.**

2. In this Act, unless the context otherwise requires,—

(a) “agricultural produce” means all produce, whether processed or not, of agriculture, horticulture, animal husbandry or forest as specified in the Schedule to this Act;

<sup>2</sup>[(b) “Board” means the Punjab State Agricultural Marketing Board or the Haryana State Agricultural Marketing Board established under the Act for the State of Punjab or the State of Haryana and includes the Administrator of the Union territory of Himachal Pradesh functioning as the Board for the transferred territory and the Administrator of the Union territory of Chandigarh functioning as the Board for the Union territory of Chandigarh.]

(c) “broker” means a person, other than a private servant or an auctioneer, usually employed on commission to enter into contracts on behalf of others for the purchase or sale of agricultural produce ;

(d) “Committee” means a market committee established and constituted under section 11 and 12 ;

(e) “Co-operative Society” means a Co-operative Society registered or deemed to be registered under the Punjab Co-operative

<sup>1</sup>Substituted by G. O. I. S. O. No. 3021, dated 18th July, 1969.

<sup>2</sup>Substituted by *ibid.*

Societies Act, 1954, <sup>1</sup>[or any other corresponding law for the time being in force] which deals in the purchase, sale, processing or storage of agricultural produce, or is otherwise engaged in the business of disposal of agricultural produce ;

- (f) "dealer" means any person who within the notified market area sets up, establishes or continues or allows to be continued any place for the purchase, sale, storage or processing of agricultural produce notified under sub-section (1) of section 6 or purchases, sells, stores or processes such agricultural produce ;
- <sup>2</sup>[(g) "Director" means the Director of Marketing, for the State of Punjab, or the State of Haryana or the transferred territory or the Union territory of Chandigarh, as the case may be, and includes a Joint Director of Marketing ;]
- (h) "Godown keeper" means a person, other than a producer, who stores agricultural produce for himself for sale or stores agricultural produce of others in lieu of storage charges ;
- (i) "market" means a market established and regulated under this Act for the notified market area, and includes a market proper, a principal market yard and sub-market yard;
- (j) [<sup>3</sup>\* \* \* \*]
- (k) "market proper" means any area including all lands with the buildings thereon, within such distance of the principal market or sub-market yard, as may be notified in the official gazette by the State Government, to be a market proper ;
- <sup>4</sup>[(kk) 'member' includes the Chairman of the Board;]

---

<sup>1</sup>Inserted by G.O.I., S. O. No. 3021, dated 18th July, 1969.

<sup>2</sup>Substituted by *ibid*.

<sup>3</sup>Omitted by Punjab Act 40 of 1963, section 2.

<sup>4</sup>Inserted by Punjab Act 40 of 1963, section 2.

- (l) "notified market area" means any area notified under section 6 ;
- (m) "prescribed" means prescribed by rules made under this Act ;
- (n) "principal market yard" and "sub-market yard" mean an enclosure, building or locality declared to be a principal market yard and sub-market yard under section 7 ;
- (o) "producer" means a person who in his normal course of avocation grows, manufacturers, rears or produces, as the case may be, agricultural produce personally, through tenants or otherwise, but does not include a person who works as a dealer or a broker or who is a partner of a firm of dealers or brokers or is otherwise engaged in the business of disposal of agricultural produce other than that grown, manufactured, reared, or produced by himself, through his tenants or otherwise. If a question arises as to whether any person is a producer or not for the purposes of this Act, the decision of the Deputy Commissioner of the District in which the person carries on his business or profession shall be final :

Provided that no person shall be disqualified from being a producer merely on the ground that he is a member of a Co-operative Society ;

*Explanation* :—The term 'producer' shall also include tenant.

'[\* \* \* \*]

- (q) "retail sale" means sale of agricultural produce not exceeding such quantity as may be prescribed;

---

<sup>1</sup>Deleted by G. O. I. S. O. No. 3021, dated 16th July, 1969.

- (r) "Secretary" means the Executive Officer of a Committee and includes an Assistant Secretary or a person officiating or acting as Secretary;
- (s) "trade allowance" includes an allowance having the sanction of custom in the notified market area concerned and market charges payable to various functionaries.
- <sup>1</sup>[(t) "transferred territory" means the territory transferred to the Union territory of Himachal Pradesh under section 5 of the Punjab Reorganisation Act, 1966 (31 of 1966).]
- <sup>2</sup>[2A. In the application of the provisions of this Act,—
- Construction of  
certain refer-  
ences in the  
Act.
- (1) to the State of Haryana, any reference therein to any expression mentioned in column (1) of the Table below shall be construed as a reference to the corresponding expression mentioned in column (2) of the said Table].

TABLE

(1)	(2)
State Government.	The Government of the State of Haryana
Punjab State or State of Punjab except in section 1 of the Act.	State of Haryana.
State Agricultural Marketing Board.	Haryana State Agricultural Marketing Board

- (2) to the territory transferred to Himachal Pradesh any reference therein to any expression mentioned in column (1) of the

<sup>1</sup>Inserted clause (t) by G.O.I. S.O. No. 3021, dated 18th July, 1969.

<sup>2</sup>New section inserted by *ibid.*



Table below shall be construed as a reference to the corresponding expression mentioned in column (2) of the said Table.

TABLE

(1)	(2)
State Government.	Administrator of the Union Territory of Himachal Pradesh.
Punjab State or State of Punjab except in section 1 of the Act.	Transferred territory.
State Agricultural Marketing Board.	Administrator of the Union Territory of Himachal Pradesh.

(3) to the Union territory of Chandigarh, any reference, therein to any expression mentioned in column (1) of the Table below shall be construed as a reference to the corresponding expression mentioned in column (2) of the said Table.

TABLE

(1)	(2)
State Government.	Administrator of the Union Territory of Chandigarh.
Punjab State or State of Punjab except in section 1 of the Act.	Union Territory of Chandigarh.
State Agricultural Marketing Board.	Administrator of the Union Territory of Chandigarh.

State Agricultural Marketing Board, Constitution, powers and duties.

3. (1) The State Government may, for exercising the powers conferred on and performing the functions and duties assigned to the Board by or under this Act, establish and constitute a State Agricultural Marketing Board, consisting of '[a Chairman to be

<sup>1</sup>Substituted for the words "fifteen members" by Punjab Act 40 of 1963, section 3.

nominated by the State Government and fifteen other members] of whom four shall be officials and <sup>1</sup>[six non-officials], to be nominated by the State Government in the following manner :—

<sup>2</sup>[(a) official members shall include the Director and three officials, one representing the Agriculture Department, the second representing the Co-operative Department and the third representing the Animal Husbandary Department;]

<sup>3</sup>(b) of the non-official members—

(i) one shall be producer member of Committees;

(ii) one shall be member of the other registered organisations of the farmers;

(iii) two shall be progressive producers of the State of Punjab, one from each division;

(iv) one shall be from among such persons licensed under section 10 as are members of the Committee ; and

(v) one representing Co-operative Societies.

<sup>4</sup>[(2) The director shall be the *ex officio* Secretary of the Board].

(3) The Board shall be a body corporate as well as a local authority by the name of the State Agricultural Marketing Board having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire and hold property and shall by the said name sue and be sued.

(4) The term of office of the non-official members of the Board shall be three years.

<sup>1</sup>Substituted for the words "eleven non-officials" by G.O.I. S.O. 3021, dated 18th July, 1969.

<sup>2</sup>Substituted by Punjab Act 40 of 1963, section 3.

<sup>3</sup>Substituted by G.O.I. S.O. 3021, dated 18th July, 1969.

<sup>4</sup>Substituted by Punjab Act 40 of 1963, section 3.

(5) No person shall be eligible to become a member of the Board who—

- (a) does not ordinarily reside within the Punjab State;
- (b) is below twenty-five years of age;
- (c) has been removed under sub-section (7) or section 15;
- (d) is of unsound mind; or
- (e) has been declared as insolvent or sentenced by a criminal court, whether within or outside the Punjab State, for an offence involving moral turpitude :

Provided that the disqualification under clause (e) on the ground of a sentence by a criminal court shall not apply after the expiry of four years from the date on which the sentence of such person has expired.

(6) A member of the Board may resign from membership by tendering his resignation to the State Government through the Chairman of the Board and the seat of such member shall become vacant on the date of acceptance of his resignation:

[Provided that the Chairman of the Board may resign by tendering his resignation to the State Government.]

(7) The State Government may remove any member of the Board who has become subject to any of the disqualifications specified in sub-section (5) or who is, in its opinion, remiss in the discharge of his duties and may appoint another member in his place in the manner as provided in clauses (a) or (b) of sub-section (1) to whichever category the removed member belongs :

Provided that before removing a member the reasons for the proposed action shall be conveyed to him and his reply invited within a specified period and duly considered :

---

<sup>1</sup>Added by Punjab Act 40 of 1963, section 3.

Provided further that the term of office of the member so appointed shall expire on the same date as the term of office of the vacating member would have expired had the latter held office for the full period allowed under sub-section (4) unless there be delay in appointing a new member who succeeds the member first mentioned above in which case it shall expire on the date on which his successor is appointed by the State Government.

(8) The State Government shall exercise superintendence and control over the Board and its officers and may call for such information as it may deem necessary and, in the event of its being satisfied that the Board is not functioning properly or is abusing its powers or is guilty of corruption or mismanagement, it may suspend the Board and, till such time as a new Board is constituted, make such arrangements for the exercise of the functions of the Board as it may think fit :

Provided that the Board shall be constituted within six months from the date of its suspension.

(9) The Board shall exercise superintendence and control over the Committees.

(10) The State Government or the Chairman or the Secretary of the Board or any other officer of the Board authorised in this behalf by the Board may call for any information or return relating to agricultural produce from a Committee or a dealer or a godown keeper or other functionaries and shall have the power to inspect the records and accounts of a committee and accounts of any dealer, godown-keeper or other functionaries for that purpose.

(11) The '[Director] may transfer the Secretary or any employee dealing with the accounts of one Committee to another Committee within the same '[State] and exercise such other powers and discharge such other duties as may be prescribed :

Provided that any increase or decrease of emoluments of a transferred employee shall be referred to

<sup>1</sup>Substituted by Punjab Act 40 of 1963.

<sup>2</sup>Substituted by G.O.I.S.O. No. 3021, dated 18th July, 1969.

the State Government whose decision on such reference shall be final.

(12) Subject to the provisions of this Act and the rules and by-laws made thereunder, the Board may employ such persons for the performance of the functions of the Board under this Act, and may give them such remuneration, as it may think fit, and may suspend, remove, dismiss or otherwise punish any person so employed.

(13) Subject to rules made under this Act, an estimate of the annual income and expenditure of the Board for the ensuing year shall be prepared and passed by the Board and submitted every year for sanction of the State Government not later than the prescribed date. The State Government shall sanction and return the budget within two months from the date of the receipt thereof. If it is not received within two months it shall be presumed to have been sanctioned.

(14) Subject to rules made under this Act, the Board may, with the approval of the State Government, frame by-laws for—

- (a) regulating the transaction of business at its meetings;
- (b) the assignment of duties and powers of the Board to its Chairman, Secretary or persons employed by it; and
- (c) such other matters as may be prescribed.

(15) <sup>1</sup>[Four] members shall constitute a quorum at a meeting of the Board :

Provided that if a meeting is adjourned for want of quorum, no quorum shall be necessary at the next meeting called for transacting the same business.

(16) All questions before a meeting of the Board shall be determined by a majority of votes of the

<sup>1</sup>Substituted for the word 'seven' by G.O.I. S.O. 3021, dated 18th July, 1969.

members present and voting and, in case of equality of votes, the Chairman may exercise a casting vote.

(17) (i) The State Government may delegate to the Board or its <sup>1</sup>[Chairman or Secretary] any of the powers conferred on it by or under this Act; and

(ii) the Board may, under intimation to Government, delegate any of its powers to its Chairman, Secretary, or any of its officers.

(18) The headquarters of the Board shall be located at a place to be determined by the State Government.

(19) No act or proceeding of the Board shall be invalid by reason only of the existence of any vacancy among its members or any defect in the constitution thereof.

<sup>2</sup>[3A. Notwithstanding anything contained in this Act, the Administrator of the Union Territory of Himachal Pradesh in relation to the transferred territory and the Administrator of the Union Territory of Chandigarh in relation to that territory, shall, until other provision is made by law, be deemed to be the Board constituted under this Act, respectively for the transferred territory and the Union Territory of Chandigarh and accordingly shall perform the functions, discharge the duties and exercise the powers of the Board in relation to these areas].

The powers of the Board in respect of the transferred territory and the Union Territory of Chandigarh.

4. (1) There shall be an Advisory Committee for each <sup>3</sup>[State] consisting of—

Advisory Committee.

(a) five members to be elected in the prescribed manner by the Chairman of the Market Committees within the <sup>3</sup>[State] from amongst themselves;

(b) members of the Board nominated from the <sup>3</sup>[State]; and

<sup>1</sup>Substituted for the word 'Chairman' by Punjab Act 40 of 1963, section 3.

<sup>2</sup>Inserted by G.O.I. S.O. No. 3021, dated 18th July, 1969.

<sup>3</sup>Substituted for the word 'region' by G.O.I. S.O. 3021, dated 18th July, 1969.

(c) the official members of the Board.

(2) The Chairman of the Board shall preside at every meeting of an Advisory Committee and the by-laws framed by the Board under clauses (a) and (c) of sub-section (14) of section 3 shall, as far as may be, apply to the transaction of business at the meeting of an Advisory Committee.

(3) The quorum at a meeting of an Advisory Committee shall be five members out of whom at least two shall be members elected under clause (a) of sub-section (1).

(4) The term of office of the members of an Advisory Committee shall be three years.

(5) An Advisory Committee shall tender advice to the Board in respect of all matters pertaining to the [State] concerned which are required to be dealt with by the Board under this Act.

Notification of intention of exercising control over purchase, sale, storage and processing of agricultural produce in specified area.

5. The State Government may, by notification, declare its intention of exercising control over the purchase, sale, storage and processing of such agricultural produce, and in such area as may be specified in the notification. Such notification shall state that any objections or suggestions which may be received by the State Government within a period of not less than thirty days to be specified in the notification, will be considered.

Declaration of notified market area.

6. (1) After the expiry of the period specified in the notification under section 5 and after considering such objections and suggestions as may be received before the expiry of such period, the State Government may, by notification and in any other manner that may be prescribed, declare the area notified under section 5 or any portion thereof to be a notified market area for the purposes of this Act in respect of the agricultural produce notified under section 5 or any part thereof.

<sup>1</sup>Substituted for the word 'region' by G.O.I. S.O. No. 3021, dated 18th July, 1969.

(2) The State Government if satisfied that in any notified market area a Committee is not functioning [or two such areas or parts thereof are to be amalgamated or a part of any such area is to be amalgamated with another such area or is to be constituted into a separate notified market area,] may by notification denotify any market area notified under sub-section (1) or any part thereof and, when the whole of such area is denotified, cancel a Committee and transfer all the assets of that Committee which remain after satisfaction of all its liabilities to the Board. Such assets shall be utilised by the Board for such objects in the area as it may consider to be for the benefit of the producers of that area.

(3) After the date of issue of such notification or from such later date as may be specified therein, no person, unless exempted by rules made under this Act, shall, either for himself or on behalf of another person, or of the State Government within the notified market area, set up, establish or continue or allow to be continued any place for the purchase, sale, storage and processing of the agricultural produce so notified, or purchase, sell, store or process such agricultural produce except under a licence granted in accordance with the provisions of this Act, the rules and by-laws made thereunder and the conditions specified in the licence :

Provided that a licence shall not be required by a producer who sells himself or through a bona fide agent, not being a commission agent, his own agricultural produce or the agricultural produce of his tenants on their behalf or by a person who purchases any agricultural produce for his private use.

(4) For the removal of doubts, it is hereby declared that a notification published in the official gazette under this section or section 5 shall have full force and effect notwithstanding any omission to publish, or any irregularity or defect in the publication of, a notification under this section or under section 5 as the case may be.

---

<sup>1</sup>Substituted for certain words by Punjab Act 40 of 1963, section 4.



Declaration of  
market yards.

7. (1) For each notified market area, there shall be one principal market yard and one or more sub-market yards as may be necessary.

(2) The State Government may, by notification, declare any enclosure, building or locality in any notified market area to be principal market yard for the area and other enclosures, buildings or localities to be one or more sub-market yards for the area.

No private  
market to be  
opened in or  
near places de-  
clared to be  
markets.

8. On and after the date on which the State Government have by a notification under section 7 declared any place to be a principal or sub-market yard, no person or Municipal Committee, District Board, Panchayat or any Local Authority, notwithstanding anything contained in any enactment relating to such Municipal Committee, District Board, Panchayat or Local Authority shall be competent to set up, establish or continue or allow to be continued any place within the limits of such market or within a distance thereof to be notified in the official gazette in this behalf in each case by the State Government for the purchase, sale, storage and processing of any agricultural produce :

Provided that a producer shall not be deemed to set up, establish or continue or allow to be continued a place as a market for the purpose of the purchase, sale, storage or processing of agricultural produce if he sells his own agricultural produce outside the premises set apart by the Committee for the purpose of purchase, sale, storage and processing of agricultural produce.

Authority to  
whom applica-  
tions for grant  
of licences are  
to be made.

9. The '[Secretary of the Board] or any other officer authorised by him in writing in this behalf shall be the authority for granting licences required under section 6.

Applications for  
licences, fees  
to be paid and  
cancellation or  
suspension of  
licences.

10. (1) Any person may apply to the authority specified in section 9 for a licence which may be

<sup>1</sup>Substituted for "Chairman of the Board" by Punjab Act 40 of 1963, section 7.

granted for such period, in such form, on such conditions and on payment of such fees not exceeding one hundred rupees as may be prescribed :

Provided that if any person carrying on any business of the nature specified in sub-section (3) of section 6 in a notified market area on the date of issue of notification under sub-section (1) of that section, fails to apply for a licence on or before the date specified therein for obtaining licence, the prescribed authority may, before a licence is issued, impose on him such penalty not exceeding one hundred rupees as may be prescribed.

(2) The <sup>1</sup>[Secretary of the Board] may, on being satisfied that there has been a breach of any of the conditions specified in a licence, by an order in writing, cancel or suspend such licence and may also direct that such licence shall not be renewed for such period not exceeding five months for the first breach and not exceeding nine months for the second breach and not exceeding one year for every subsequent breach, as may be specified in that order :

Provided that the Chairman of a Committee of the area concerned may under intimation to the Chairman of the Board suspend a licence for a period not exceeding fifteen days :

Provided further that no such order shall be made without giving the licensee an opportunity to show cause why such an order should not be made.

(3) The <sup>1</sup>[Secretary of the Board], after such enquiry as he may consider necessary, refuse a licence to a person who in his opinion—

(a) is a *benamidar* for or a partner with any person to whom a licence has been refused,

---

<sup>1</sup>Substituted for the words "Chairman of the Board" by Punjab Act 40 of 1963, section 7.

or whose licence is cancelled or suspended under sub-section (2) for the period of such cancellation or suspension; or

(b) is convicted of an offence affecting the said person's integrity as a man of business within two years of such conviction; or

(c) is undischarged insolvent :

Provided that no such order shall be made without giving such person an opportunity to show cause why such an order should not be made.

(4) Any person aggrieved by an order made under this section may at any time within one month of the making thereof, appeal to the State Government if such order is passed by the <sup>1</sup>[Secretary of the Board] and to the Chairman of the Board if such order is passed by the Chairman of the Committee.

Establishment of  
market com-  
mittee.

11. The State Government shall by notification establish a market committee for every notified market area and shall specify its headquarters.

Constitution of  
Committees.

12. (1) A Market Committee shall consist of nine or sixteen members as the State Government may in each case determine, out of whom one may be appointed by the State Government from amongst its officials :

Provided that where in a notified market area there is in existence a Co-operative Society, the Committee shall consist of ten or seventeen members as the case may be.

(2) The remaining members shall be elected in the prescribed manner by the following persons as provided hereunder, that is to say,—

(a) if the Committee is to consist of nine members, there shall be elected—

(i) five members from producers of the notified market area, by the Panches and

<sup>1</sup>Substituted by the words "Chairman of the Board" by Punjab Act 40 of 1963, section 7.

Sarpanches of the Gram Panchayats situated within the notified market area;

- (ii) two members from persons licensed under section 10 for the notified market area concerned, by the persons holding licences under that section; and
  - (iii) one member from persons licensed under section 13, by the persons licensed under that section;
- (b) if the Committee is to consist of ten members, there shall be elected, in addition to the members specified in sub-clauses (i), (ii) and (iii) of clause (a), one member representing the Co-operative Societies, by such Societies;
- (c) if the Committee is to consist of sixteen members, there shall be elected—
- (i) nine members from producers of the notified market area by the Panches and Sarpanches of the Gram Panchayats situated within the notified market area;
  - (ii) four members from persons licensed under section 10 for the notified market area concerned, by persons licensed under that section; and
  - (iii) two members from persons licensed under section 13, by persons licensed under that section;
- (d) if the Committee is to consist of seventeen members, there shall be elected, in addition to the members specified in sub-clauses (i), (ii) and (iii) of clause (c), one member representing the Co-operative Societies, by such Societies :

Provided that the producers elected under this sub-section shall be persons who are residents of the notified market area :

Provided further that where, in the case of sub-clause (iii) of clause (a) or sub-clause (iii) of clause (c), there are no persons licensed under section 13 or the number of such persons is less than four, the requisite number of such persons shall be elected jointly by persons licensed under section 10 and section 13.

(3) The election of members referred to in sub-section (2), shall be made and communicated to the State Government within the period prescribed in this behalf which shall not be less than two months and thereupon the State Government shall notify such election in the official gazette :

Provided that if within the period aforesaid the election is not made and communicated to the State Government or the requisite number of persons are not elected and communicated, the State Government may appoint the requisite number of persons to the committee on its own motion and notify the appointment so made.

(4) Notwithstanding anything contained in the foregoing sub-sections and section 16, where a Committee is constituted for the first time all the members including the Chairman and Vice-Chairman thereof shall be nominated by the State Government and subject to the provisions of section 17, such members shall hold office for a period not exceeding three years as may be prescribed.

(5) No act done by the Committee shall be called into question on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Committee.

(6) Subject to rules made under this Act, the disqualifications specified in sub-section (5) of section 3 shall also apply for purposes of becoming a member of a Committee.

13. (1) It shall be the duty of a Committee—

Duties and  
powers of Com-  
mittee.

- (a) to enforce the provisions of this Act and the rules and by-laws made thereunder in the notified market area and, when so required by the <sup>1</sup>[\* \* \*] Board, to establish a market therein providing such facilities for persons visiting it in connection with the purchase, sale, storage, weighment and processing of agricultural produce concerned as the <sup>1</sup>[\* \* \*] Board may from time to time direct;
- (b) to control and regulate the admission to the market, to determine the conditions for the use of the market and to prosecute or confiscate the agricultural produce belonging to person trading without a valid licence;
- (c) to bring, prosecute or defend or aid in bringing, prosecuting or defending any suit, action, proceeding, application or arbitration, on behalf of the Committee or otherwise when directed by the Board <sup>2</sup>[\* \* \*].

(2) Every person licensed under section 10 or section 13 and every person exempted under section 6 from taking out licence, shall on demand by the Committee or any person authorised by it in this behalf furnish such information and returns, as may be necessary for proper enforcement of Act or the rules and by-laws made thereunder.

(3) Subject to such rules as the State Government may make in this behalf, it shall be the duty of a Committee to issue licences to brokers, weighmen, measurers, surveyors, godown-keepers and other functionaries for carrying on their occupation in the notified market area in respect of agricultural produce and to renew, suspend or cancel such licences.

(4) No broker, weighman, measurer, surveyor, godown-keeper or other functionary shall, unless duly

<sup>1</sup>Omitted by Punjab Act 40 of 1963, section 7.

<sup>2</sup>Omitted by *ibid.*

authorised by licence, carry on his occupation in a notified market area in respect of agricultural produce :

Provided that nothing in sub-sections (3) and (4) shall apply to a person carrying on the business of warehouseman who is licensed under the Punjab Warehouses Act, 1957 (Punjab Act No. 2 of 1958).

Term of office  
of members.

14. Subject to the provisions of section 17, every member of a Committee other than a Committee constituted under sub-section (4) of section 12 shall hold office for a period of three years from the date of his appointment.

Removal of  
members.

15. The State Government may by notification remove any member if, in its opinion, he has been guilty of misconduct or neglect of duty or has lost the qualification on the strength of which he was appointed :

Provided that before the State Government notify the removal of a member under this section, the reasons for his proposed removal shall be communicated to the member concerned and he shall be given an opportunity of tendering an explanation in writing.

Election of  
Chairman and  
Vice-Chair-  
man.

16. (1) Every Committee shall elect from among its members a Chairman and a Vice-Chairman.

<sup>1</sup>[Provided that no official member of a Committee shall be entitled to be elected as or to take part in the election of, its Chairman or Vice-Chairman].

(2) The Committee may by a majority of two-thirds of the total members, at a meeting specially convened for the purpose, pass a resolution for the removal of any of the office-bearers and any resolution so passed shall be subject to confirmation by the  
[\* \* \*] Board.

<sup>1</sup>Inserted by Punjab Act 2 of 1966, section 2.

<sup>2</sup>Omitted by Punjab Act 40 of 1973, section 7.

17. (1) Whenever any member dies, resigns, <sup>Filling of vacancies.</sup> ceases to reside permanently in the notified market area or becomes incapable of acting as a member of a Committee or any vacancy occurs through transfer or removal in accordance with the provisions of section 15 or otherwise, the State Government may appoint a member to fill in such vacancy in accordance with the provisions of section 12 :

Provided that the term of office of the member so appointed shall expire on the same date as the term of office of the vacating member would have expired had the latter held office for the full period allowed under section 14 unless there be delay in appointing a new member to succeed the member first mentioned above in which case it shall expire on the date on which his successor is appointed by the State Government.

(2) Should the State Government decide to raise the number of members of an existing Committee from 9 to 16, the additional vacancies shall be filled in accordance with the provisions of sub-section (1) and the term of office of the additional members appointed shall be the unexpired portion of the term of the existing members of the Committee.

18. Every Committee shall be a body corporate as well as a local authority by such name as the State Government may specify in the notification establishing it, shall have perpetual succession and a common seal, may sue and be sued in its corporate name, and shall subject to the provisions of section 32 be competent to acquire and hold property, both movable and immovable, to lease, sell or otherwise transfer any movable or immovable property which may have become vested in or been acquired by it, and to contract and to do all other things necessary for the purposes for which it is established : <sup>Incorporation of Committees.</sup>

Provided that no Committee shall permanently transfer any immovable property except in pursuance of a resolution passed at a meeting specially convened



for the purpose by a majority of not less than three-fourth of the members of the Committee and with prior approval of the Chairman of the Board.

Appointment  
of sub-com-  
mittees and  
joint committees  
and delegation  
of powers.

19. A Committee may appoint, one or more of its members or other to be a sub-committee or to be a joint committee or to be an *ad hoc* committee for the administration of the sub-market yard, for the conduct of any work or for reporting on any matter and may delegate to such committee or any one or more of its members such of its powers or duties as it thinks fit :

Provided that when any such committee is to consist of, or the powers of the Committee are delegated to, one member the resolution shall operate only after it is duly approved by the '[\* \* \*] Board.

Appointment  
and salaries of  
officers and  
sections of com-  
mittees.

20. (1) Every Committee shall have a person as its Secretary, appointed by the Board as its servant, and lent to the Committee subject to such terms and conditions as the Board may prescribe.

(2) A Committee may, with the previous approval of the <sup>2</sup>[Secretary of the Board], employ such other officers and servants as may be necessary for the management of the market and may pay such officers and servants salaries as fixed by the Board for different cadres and shall have power to control and punish them :

Provided that where the basic pay of an employee is less than eighty rupees the previous approval of the Chairman of the Board for the appointment will not be necessary :

Provided further that if after examining the records obtained from the Committee or otherwise the <sup>3</sup>[Board] is satisfied that any offer or servant of the Committee is negligent in the discharge of his duties the Committee shall on the requirement of the

<sup>1</sup>Omitted by Punjab Act 40 of 1963, section 7.

<sup>2</sup>Substituted by *ibid.*

<sup>3</sup>Substituted for the words "Chairman of the Board" by *ibid.*

'[Board] suspend or otherwise punish him, and if the  
'[Board] is satisfied that he is unfit for employment  
the Committee shall dismiss him or terminate his  
services.

(3) (i) A Committee shall in the case of any other  
officer or servant of the Board whom it employs, pay  
such pension and other contribution, gratuity and  
allowances as may be required by the conditions of  
his service under the Board.

(ii) A Committee may also, in the case of any of  
its officers and servants provide for the payment to  
them of such leave or other allowances, pensions or  
gratuities as it deems proper, and may contribute to  
any provident fund which may be established for the  
benefit of such officers and servants.

(iii) A Committee shall, in case of any Govern-  
ment servant whom it employs, pay to the State  
Government such contributions towards the pension  
and leave allowances of such servant as may be pay-  
able under any regulation in force for the time being.

(4) The services of the Secretary or any employee  
dealing with the accounts of a Committee shall be  
transferable within the same <sup>2</sup>[State].

(5) The Secretaries in the service of Market Com-  
mittees constituted under the Punjab Agricultural  
Produce Markets Act, 1939, and the Patiala Agricul-  
tural Produce Markets Act, 2004 B.K., shall be deemed  
to be the servants of the Board and their emoluments  
and other conditions of service shall be such as may  
be determined by the Board.

(6) The powers conferred by this section on a  
Committee shall be exercised subject to such rules as  
may be made in this behalf by the State Government.

21. Every member and officer or servant of the  
Board or a Committee shall be deemed to be a public  
servant within the meaning of section 21 of the Indian  
Penal Code.

Persons who  
are to be deem-  
ed Public Ser-  
vants within  
the meaning of  
section 21 of  
Indian Penal  
Code.

<sup>1</sup>Substituted for the words "Chairman of the Board" by Act 40 of 1963.

<sup>2</sup>Substituted by G.O.I. S.O. No. 3021, dated 18th July, 1969.

Execution of  
Contracts.

22. (1) Every contract entered into by a Committee shall be in writing and shall be signed on behalf of the Committee by the Chairman or, if for any reason he is unable to act, by the Vice-Chairman, and two other members of the Committee and shall be sealed with the common seal of the Committee.

(2) No contract other than a contract executed as provided in sub-section (1) shall be binding on a Committee.

Levy of fees.

23. A Committee may, subject to such rules as may be made by the State Government in this behalf, levy on *ad valorem* basis fees on the agricultural produce bought or sold by licensees in the notified market area <sup>1</sup>[at the rate of <sup>2</sup>[one rupee and fifty Paise]] for every one hundred rupees :

Provided that—

- (a) no fee shall be leviable in respect of any transaction in which delivery of the agricultural produce bought or sold is not actually made; and
- (b) a fee shall be leviable only on the parties to a transaction in which delivery is actually made.

Octroi not payable on certain agricultural produce.

24. Notwithstanding anything to the contrary contained in the Punjab Municipal Act, 1911 <sup>3</sup>[and any other corresponding law for the time being in force], the State Government may by notification direct that in respect of such agricultural produce, notified under section 6, brought or received within a notified market area, as may be specified in the notification, no octroi shall be payable by any person to a Municipal Committee from such date as may be specified therein.

Marketing  
Development  
Fund.

25. All receipts of the Board shall be credited into a fund to be called the Marketing Development Fund.

<sup>1</sup>Substituted by Punjab Act 25 of 1969.

<sup>2</sup>Substituted by Punjab Act 17 of 1973, section 2.

<sup>3</sup>Inserted by G.O.I.S.O. No. 3021, dated 18th July, 1969.

(2) All expenditure incurred by the Board shall be defrayed out of such fund which shall be jointly operated upon by the Chairman and the Secretary.

26. The Marketing Development Fund shall be utilised out of following purposes :—

Purposes for which the Marketing Development Fund may be expended.

- (i) better marketing of agricultural produce;
- (ii) marketing of agricultural produce on co-operative lines;
- (iii) collection and dissemination of market rates and news;
- (iv) grading and standardisation of agricultural produce;
- (v) general improvements in the markets or their respective notified market areas;
- (vi) maintenance of the office of the Board and construction and repair of its office buildings, rest-house and staff quarters;
- (vii) giving aid to financially weak Committees in the shape of loans and grants;
- (viii) payment of salary, leave allowance, gratuity, compassionate allowance, compensation for injuries or death resulting from accidents while on duty, medical aid, pension or provident fund to the persons employed by the Board and leave and pension contribution to Government servants on deputation;
- (ix) travelling and other allowances to the employees of the Board, its members and members of Advisory Committees;
- (x) propaganda, demonstration and publicity in favour of agricultural improvements;

- (xi) production and betterment of agricultural produce;
- (xii) meeting any legal expenses incurred by the Board;
- (xiii) imparting education in marketing or agriculture;
- (xiv) construction of godowns;
- (xv) loans and advances to the employees;
- (xvi) expenses incurred in auditing the accounts of the Board;
- (xvii) with the previous sanction of the State Government, any other purpose which is calculated to promote the general interests of the Board and the Committees <sup>1</sup>[or the national or public interest]:

Provided that if the Board decides to give aid of more than five thousand rupees to a financially weak Committee under clause (vii), the prior approval of the State Government to such payment shall be obtained.

Market Com-  
mittee Fund.

27. (1) All moneys received by a Committee shall be paid into a fund to be called the Market Committee Fund and all expenditure incurred by the Committee under or for the purposes of this Act shall be defrayed out of such fund, and any surplus remaining after such expenditure has been met shall be invested in such manner as may be prescribed.

(2) (a) Every Committee shall, out of its fund pay to the Board as contribution such percentage of its income derived from licence fee, market fee and fines levied by the Courts as is specified below to defray expenses of the office establishment of the Board and such other expenses incurred by it in the interest of the Committees generally and also pay to the State

<sup>1</sup>Inserted by Punjab Act 23 of 1962, section 2.

Government the cost of any special or additional staff employed by the State Government in consultation with the Committee for giving effect to the provisions of this Act in the notified market area—

- (i) if the annual income of a Committee does not exceed Rs. 10,000 ... 10 per centum.
- (ii) if the annual income of a Committee exceeds Rs. 10,000—
  - on the first 10,000 ... 10 per centum.
  - on the next 5,000 or part thereof ... 15 per centum.
  - on the remaining income ... 20 per centum.

(b) The State Government shall determine the cost of such special or additional staff and shall, where the staff is employed for the purposes of more Committees than one, apportion such cost among the Committees concerned in such manner as it thinks fit. The decision of the State Government determining the amount payable by any Committee shall be final.

28. Subject to the provisions of section 27, the Market Committee Funds shall be expended for the following purposes :—

Purposes for which the Market Committee Funds may be expended.

- (i) acquisition of sites for the market;
- (ii) maintenance and improvement of the market;
- (iii) construction and repair of buildings which are necessary for the purposes of the market and for the health, convenience and safety of the persons using it;
- (iv) provision and maintenance of standard weights and measures;
- (v) pay, leave allowances, gratuities, compassionate allowances and contributions towards leave allowances, compensation for injuries and death resulting from accidents

while on duty, medical aid, pension or provident fund of the persons employed by the Committee;

- (vi) payment of interest on loans that may be raised for purposes of the market and the provisions of a sinking fund in respect of such loans;
- (vii) collection and dissemination of information regarding all matters relating to crop statistics and marketing in respect of the agricultural produce concerned;
- (viii) providing comforts and facilities, such as shelter, shade, parking accommodation and water for the persons, draught cattle, vehicles and pack animals coming or being brought to the market or on construction and repair of approach roads, culverts, bridges and other such purposes;
- (ix) expenses incurred in the maintenance of the offices and in auditing the accounts of the Committees ;
- (x) propaganda in favour of agricultural improvements and thrift ;
- (xi) production and betterment of agricultural produce ;
- (xii) meeting any legal expenses incurred by the Committee ;
- (xiii) imparting education in marketing or agriculture ;
- (xiv) payments of travelling and other allowances to the members and employees of the Committee, as prescribed;
- (xv) loans and advances to the employees;
- (xvi) expenses of and incidental to elections; and

(xvii) with the previous sanction of the Board, any other purpose which is calculated to promote the general interests of the Committee or the notified market area <sup>1</sup>[or with the previous sanction of the State Government, any purpose calculated to promote the national or public interest].

29. (1) Every person shall be liable for the loss, waste or misapplication of any money or other property belonging to a Committee, if such loss, waste or misapplication is proved to the satisfaction of the Board to be the direct consequence of his neglect or misconduct in the performance of duties as a member or an employee of the Committee, and he may, after being given an opportunity by a written notice to show cause why he should not be required to make good the loss, be surcharged with the value of such property or the amount of such loss by the Board, and if the amount is not paid within one month from the expiry of the period of appeal prescribed by sub-section (3) it shall be recoverable as arrears of land revenue :

Liability of member or employee of Committees or the Board.

Provided that no such person shall be called upon to show cause after the expiry of a period of four years from the occurrence of such loss, waste or misapplication or after the expiry of two years from the time of his ceasing to be a member or an employee, whichever expires first.

(2) Every person shall be liable for the loss, waste or misapplication of any money or other property belonging to the Board, if such loss, waste or misapplication is proved to the satisfaction of the State Government to be the direct consequence of his neglect or misconduct in the performance of duties as a member or an employee of the Board, and he may, after being given an opportunity by a written notice to show cause why he should not be required to make good the loss, be surcharged with the value of such property or the amount of such loss by the State Government and if

---

<sup>1</sup>Added by Punjab Act 23 of 1962, section 3.



the amount is not paid within one month from the expiry of the period of appeal prescribed by sub-section (3) it shall be recoverable as arrears of land revenue :

Provided that no such person shall be called upon to show cause after the expiry of a period of four years from the occurrence of such loss, waste or misapplication or after the expiry of two years from the time of his ceasing to be a member or an employee, whichever expires first.

(3) The person against whom an order under sub-section (1) or sub-section (2) is made may, within one month of the service of such order, appeal to the State Government which shall have the power of confirming, modifying or disallowing the surcharge.

No trade allowance permissible except as prescribed. 30. No trade allowance, other than an allowance permitted by rules or bye-laws made under this Act, shall be made or received in a notified market area by any person in any transaction in respect of the agricultural produce concerned and no Civil Court shall, in any suit or proceeding arising out of any such transaction, recognise any trade allowance not so permitted :

Provided that all market charges shall be paid by the buyer.

Bar of suit in absence of notice.

31. (1) No suit shall be instituted against the Board or a Committee or any member or employee thereof or any person acting under the direction of any such Committee, member or employee for anything done or purporting to be done under this Act, until the expiration of two months next after a notice in writing, stating the cause of action, the name and place of abode of the intending plaintiff and the relief which he claims, has been, in the case of the Board or a Committee delivered to him or left at its office, and in the case of any such member, employee or person as aforesaid, delivered to him or left at his office or usual place of abode, and the plaint shall contain a statement that such notice has been so delivered or left.

(2) Every such suit shall be dismissed unless, it is instituted within six months from the date of the accrual of cause of action.

32. (1) A Committee may, with the previous sanction of the '[ ] Board, raise the money required for carrying on the purposes for which it is established on the security of any property vested in and belonging to the Committee and of any fees leviable by it under this Act. Power to borrow.

(2) A Committee may, for the purpose of meeting the initial expenditure on lands, buildings and equipment required for establishing the market, for the proper discharge of the duties and functions imposed on it by or under this Act, or for the purpose of development activities and extension of market obtain a loan from the State Government or the Board on such conditions and subject to such rules as may be prescribed.

(3) A Committee may, with the previous approval of the '[ ] Board, obtain loans from other Committees on such conditions and subject to such rules as may be prescribed.

33. (1) When the affairs of a Committee are investigated or the proceedings of such Committee are examined by the '[Chairman or Secretary of the Board] or any other officer to whom the powers have been delegated under sub-section (17) of section 3, all officers, servants and members of such Committee shall furnish such information in their possession in regard to the affairs or proceeding of the Committee as the '[Chairman or Secretary of the Board] or such officer may require. Power to call information, inspect, enforce attendance and to suspend actions, etc. of Committees.

(2) The '[Chairman or Secretary of the Board] or any officer authorised by him by general or special order shall have power to inspect or cause to be inspected the accounts of a Committee or to institute an enquiry into the affairs of the Committee and to require the Committee to do a thing or to desist from

<sup>1</sup>Omitted by Punjab Act 40 of 1963, section 7.

<sup>2</sup>Substituted by *ibid*, section 5.

doing a thing which he considers necessary in the interest of the Committee and to make a written reply to him within a reasonable time stating its reasons for not desisting from doing it or for not doing such a thing.

(3) An officer investigating the affairs of a Committee or examining the proceedings of such Committee under sub-section (1) shall have the power to summon and enforce the attendance of officers or members of the Committee and to compel them to give evidence and to produce documents by the same means and as far as possible in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure, 1908.

(4) (i) The '[ ] Board may, by order in writing, annul any proceedings of a committee or sub-committee or joint committee or *ad hoc* Committee which it considers not to be in conformity with law or with the rules or bye-laws made thereunder and may do all things necessary to secure such conformity, or may suspend any resolution which it considers likely to cause injury or annoyance to the public or is likely to affect adversely the interest of the Committee or of producers or dealers or any class of functionaries working in the notified market area concerned.

(ii) The '[ ] Board may, by order in writing, suspend the execution of any resolution or order of a Committee or sub-committee, or joint committee or *ad hoc* Committee, or prohibit the doing of any act which is being done or is about to be done in pursuance of or under cover of this Act or any rule or bye-law made thereunder, if in its opinion, the resolution, order or Act is in excess of the powers conferred by law, or is likely to cause injury or annoyance to the public or is likely to affect adversely the interest of the Committee or of producers or of dealers or of any class of functionaries working in the notified market area concerned.

(iii) When the '[ ] Board makes an order under this sub-section, he shall forthwith forward a

<sup>1</sup>Omitted by Punjab Act 40 of 1963, section 5.

**THE PUNJAB AGRICULTURAL 1961 : Pb. Act 23] 323**  
**PRODUCE MARKETS ACT, 1961**

copy thereof, with a statement of reasons for making it and the explanation, if any, of the Committee concerned, to the State Government; who may thereupon rescind the order or direct that it shall continue in force with or without modification, permanently, or for such period as it thinks fit.

(5) The '[\* \* \*] Secretary of the Board shall also have the power to suspend or cancel the licences of market functionaries issued under section 13.

(6) (i) If any officer or member of a Committee when required to furnish information in regard to the affairs or proceedings of a Committee under sub-section (1)—

(a) wilfully neglects or refuses to furnish any information ;

(b) wilfully furnishes a false information ;

he shall, on conviction, be punishable with fine not exceeding five hundred rupees, or with imprisonment for a term which may extend to six months, or with both.

(ii) If any officer, member, or a servant of a Committee wilfully neglects or refuses to do any act or wilfully or without any reasonable excuse disobeys a lawful written order issued under the provisions of this Act or fails to furnish information or return lawfully required from him, he shall, on conviction, be punishable with fine not exceeding five hundred rupees, or with imprisonment for a term which may extend to one month, or with both.

**34.** (1) When any land is required for the purposes of this Act, the State Government may on the request of the Board or a Committee requiring it, proceed to acquire it under the provisions of the Land Acquisition Act, 1894, and on payment by the Board or Committee of the compensation awarded under that Act and of all other charges incurred by the State Government on account of the acquisition, the land shall vest in the Board or Committee.

Acquisition of  
land for the  
Board and Com-  
mittees.

---

<sup>1</sup>Omitted by Punjab Act 40 of 1963, section 5.

(2) The Board or a Committee shall be deemed to be a local authority for the purposes of the Land Acquisition Act, 1894.

**Supersession  
of Committees.**

35. (1) If, in the opinion of the State Government a Committee is incompetent to perform or persistently makes default in performing the duties imposed on it by or under this Act, or abuses its powers, the State Government may, by notification, supersede the Committee :

Provided that before issuing a notification under this sub-section the State Government shall give a reasonable opportunity to the Committee for showing cause against the proposed supersession and shall consider the explanations and objections, if any, of the Committee.

(2) Upon the publication of a notification under sub-section (1) superseding a Committee, the following consequences shall ensue :—

(a) all the members including the Chairman and Vice-Chairman of the Committee shall, as from the date of such publication, be deemed to have ceased to be members of the Committee ;

(b) all assets of the Committee shall vest in the Board and the Board shall be liable for all the legal liabilities of the Committee subsisting at the date of its supersession up to the limit of the said assets ;

(c) the State Government may, in its discretion, by order constitute either a new Committee as provided under section 12 or such other authority for the carrying out of the functions of the Committee, as the State Government may deem fit.

(3) (a) When the State Government has made an order under clause (c) of sub-section (2), the assets

and liabilities defined in clause (b) of sub-section (2) vesting in the Board at the date of such order shall be deemed to have been transferred on the date of such order to the new Committee or authority constituted as aforesaid.

(b) (i) Where the State Government by order under clause (c) of sub-section (2) has appointed an authority other than a new Committee for the carrying out of the functions of the superseded Committee, the State Government may, by notification, determine the period not exceeding one year for which such authority, shall act :

Provided that the term of office of such authority may be terminated earlier, if the State Government for any reason consider it necessary.

(ii) At the expiry of the term of office of such authority a new Committee shall be constituted.

(iii) Upon such an order being made the assets and liabilities vesting in the authority thereby superseded, shall be deemed to have been transferred by such order to the new Committee.

(4) Whenever the assets of a Committee vest in the Board and no new Committee or authority is appointed in its place the Board shall employ the balance of the assets remaining after the discharge of the subsisting legal liabilities of the Committee for any object of public utility in the area specified in the notification issued under section 6.

36. If at any time the State Government is satisfied that a situation has arisen in which the purposes of this Act cannot be carried out in accordance with the provisions thereof, the State Government may by notification—

Emergency Powers.

(a) declare that the functions of a Committee shall, to such extent as may be specified in the notification, be exercised by the Board or such person or persons as it may direct :  
or

(b) assume to itself all or any of the powers vested in or exercisable by a Committee ;

and such notification may contain such incidental and consequential provisions as may appear to the State Government to be necessary or desirable for giving effect to the objects of the notification.

**Penalties.**

**37.** (1) Whoever contravenes the provisions of section 6 or section 8 shall, on conviction, be punishable with simple imprisonment which may extend to one month or with fine which shall not be less than fifty rupees but may extend to five hundred rupees or with both, and in the case of a continuing contravention with a fine which in addition to such fine as aforesaid, may extend to thirty rupees for every day after the date of first conviction during which the contravention is continued.

(2) Whoever contravenes the provisions of sub-sections (2) and (4) of section 13, shall, on conviction, be punishable with fine which shall not be less than ten rupees but may extend to fifty rupees and, in the case of a continuing contravention, with a fine which, in addition to such fine as aforesaid may extend to two rupees for every day after the date of first conviction during which the contravention is continued.

(3) Whoever contravenes the provisions of section 30, shall, on conviction, be punishable with fine which shall not be less than fifty rupees but may extend to two hundred rupees.

**Power of State Government to amend the Schedule.**

**38.** The State Government may, by notification, add to the Schedule to this Act any other item of agricultural produce or amend or omit any item of such produce specified therein.

**Trial of offences.**

**39.** (1) No offence made punishable by this Act or any rule or bye-law made thereunder shall be tried by a court inferior to that of a magistrate of the first class.

(2) Prosecutions under this Act may be instituted by any person duly authorised by a resolution passed by the Board or a Committee in this behalf.

(3) All fines received from an offender shall be credited to State revenues and grant equivalent to such fines shall be paid to the Committee.

40. Any person objecting to an order passed by a Committee under section 13 or by the '[\* \* \*]' Secretary of the Board under sub-section (5) of section 33 may appeal to the Board in the manner prescribed and the Board's decision on appeal shall be final. Appeal.

41. (1) Every sum due from a Committee to the State Government of the Board shall be recoverable as an arrear of land revenue. Recovery of sums due to State Government from Committee.

(2) Every sum due to a Committee from any person shall be recoverable as an arrear of land revenue.

42. Notwithstanding anything in this Act, the State Government shall have the power of reversing or modifying any order of the Board or any of its officers passed or purporting to have been passed under this Act, if it considers it to be not in accordance with this Act or the rules or bye-laws made thereunder. Revision.

43. (1) The State Government may by notification make rules for carrying out the purposes of this Act. Power to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(i) the appointment or election and mode of election, as the case may be, of members of the Board, Advisory Committees and Committees and their removal ;

(ii) the powers to be exercised and the duties to be performed by the Board or Committees and their officers and servants ;

<sup>1</sup>Omitted by Punjab Act 40 of 1963, section 7.



- (iii) the election of the Chairman and Vice-Chairman of Committees, their powers and term of office ;
- (iv) the filling of casual vacancies in the office of members or in the office of Chairman or Vice-Chairman of Committees ;
- (v) the time, place and manner in which a contract between buyer and seller is to be entered into, continued and carried out and the money is to be paid to the seller ;
- (vi) generally for the guidance of the Board or Committee;
- (vii) management of the market maximum fees which may be levied by a Committee in respect of the agricultural produce bought or sold by licensees in the notified market area, and the manner and the basis thereof, and the recovery and disposal of such fees ;
- (viii) the issue by a Committee of licences to brokers, weighmen, measurers, surveyors, godown-keepers or other functionaries, the form in which, and the conditions under which, such licences shall be issued or renewed and the fees, if any, to be charged therefor ;
- (ix) the issue by the <sup>1</sup>[Secretary of the Board] of licences to dealers, the form in which, and the conditions under which, such licences shall be issued or renewed and the fees, if any, to be charged therefor ;
- (x) the place or places at which agricultural produce shall be weighed, the kind and description of *bardana* to be used and the quantity of the produce to be filled and of the scales, not being hand-scales (Takri), weights and measures which alone may be used in transactions in agricultural produce in a notified market area ;

<sup>1</sup>Substitution for the word "Chairman of the Board by Punjab Act 40 of 1963, section 7.

- (xi) the inspection, verification, regulation, correction and confiscation of scales, weights and measures in use in a notified market area ;
- (xii) the trade allowance which may be made or received by any person in any transaction in an agricultural produce in a notified market area ;
- (xiii) the provision of facilities for the settlement by arbitration or otherwise of any dispute between a buyer and a seller of agricultural produce or their agents, including disputes regarding the quality or weight of the article, the price or rate to be paid, allowances for wrappings, dirt or impurities or deductions for any cause ;
- (xiv) the prohibition of brokers from acting in the same transaction on behalf of both the buyer and the seller of agricultural produce ;
- (xv) the provision of accommodation for storing any agricultural produce brought into the market ;
- (xvi) the preparation of plans and estimates for work proposed to be constructed partly or wholly at the expense of the Board or a Committee, and the grant of sanction to such plans and estimates ;
- (xvii) the form in which the accounts of a Committee shall be kept, the audit and publication of such accounts, the charges, if any, to be made for such audit ;
- (xviii) the management and regulation of provident funds which may be established for the benefit of the employees of the Board or Committees ;
- (xix) the preparation and submission for sanction of an annual budget and the reports and returns to be furnished by the Board or Committees ;

- (xx) the investment and disposal of the surplus funds of the Board or Committees ;
- (xxi) the manner in which auctions of agricultural produce shall be conducted and bids made and accepted in any market ;
- (xxii) any matter in respect of which fees shall be payable under this Act, and fixing the amount of such fees and the mode of payment and recovery thereof ;
- (xxiii) exemption of classes of persons from the obligation of obtaining licences under section 6 ;
- (xxiv) the authority to which applications for obtaining licences shall be made ;
- (xxv) the realisation or disposal of fees recoverable thereunder or under any rules or bye-laws made under this Act ;
- (xxvi) the travelling and other allowances that may be <sup>1</sup>[paid to the Chairman, members and employees of the Board], Advisory Committees and Committees ;
- (xxvii) the settlement of any question as to whether any person is a producer or not ;
- (xxviii) service rules, recruitment rules, provident fund rules, pension rules and such other rules as may be required for the employment of the staff of the Board and Committees ;
- (xxix) the penalties to be imposed upon the employees of the Board and Committees, including the manner of imposing such penalties and the right of appeal against such penalties ;
- (xxx) nature and status of the servants of the Board and Committees ;

---

<sup>1</sup>Substituted by Punjab Act 40 of 1963, section 6.

- (xxxi) imposing on persons holding licences under this Act, the duty of making returns to Committees at regular intervals of transactions of sale, purchase, storage and processing affected by them or at their places of business and of producing accounts for inspection and furnishing information, when called upon by an authority duly empowered, and prescribing the form and mode of verification of, and the particulars to be entered in, such returns as well as the nature of such information ;
- (xxxii) the regulation of advances, if any, given to producers by brokers or dealers ;
- (xxxiii) the prevention of adulteration of the agricultural produce ;
- (xxxiv) the grading and standardization of the agricultural produce.

(3) The rules made under this section may provide that any contravention thereof or of any of the conditions of any licence issued or renewed thereunder shall be punishable with fine which may extend to five hundred rupees.

44. (1) Subject to any rules made by the State Government under section 43 a Committee may, in respect of notified market area, make bye-laws for—

- (i) the regulation of its business ;
- (ii) the conditions of trading ;
- (iii) the appointment and punishment of its employees;
- (iv) the payment of salaries, gratuities and leave allowances to such employees ;
- (v) the delegation of powers or duties, to the Sub-Committee or Joint Committee or *ad-hoc* Committee or any one or more of its members under section 19 ; and

- (vi) the remuneration of different functionaries not specifically mentioned in this Act, working in the notified market area and rendering any service in connection with the sale, purchase, storage and processing of agricultural produce ;

and may provide that contravention of any of such bye-laws shall be punishable, on conviction, with a fine which may extend to fifty rupees.

(2) Where a Committee fails to make bye-laws under this section within six months from the date of its establishment or the date on which this Act comes into force, whichever is later, the Board, may make such bye-laws as it may think fit and the bye-laws so made shall remain in operation in that Committee.

(3) (a) Notwithstanding anything contained in this Act or the rules or bye-laws made thereunder, if the '[ \* \* \* ] Board considers that an amendment, alteration, rescission or adoption of a new bye-law is necessary or desirable in the interests of such Committee, he may, by an order in writing to be served on the Committee by registered post, require the Committee, to make such amendment, alteration, rescission or adopt a new bye-law within such time as may be specified in such order.

(b) If the Committee fails to make any such amendment, alteration or rescission or to adopt the new bye-law within the time specified by the '[ \* \* \* ] Board in his order under clause (a), the '[ \* \* \* ] Board may, after giving the Committee an opportunity of being heard, register such amendment, alteration, rescission or such new bye-laws, and issue a certified copy thereof to such Committee.

(c) The Committee may, within one month from the date of issue of an order made under clause (b), appeal against such order to the State Government.

(d) Where an appeal is presented within one month from the date of the issue of an order under

<sup>1</sup>Omitted by Punjab Act 40 of 1963, section 7.

clause (b) registering an amendment, such amendment shall not come into force till the order is confirmed by the State Government.

(e) A certified copy of the amendment of the bye-laws registered by the '[ ] Board under clause (b) shall, subject to the result of an appeal, if any, under clause (c) be conclusive evidence that the same has been duly registered and such amendment, alteration, rescission or a new bye-law shall be deemed to have been made by the Committee.

(4) No bye-law or rescission of a bye-law or its alteration or amendment shall take effect until it has been confirmed by the '[ ] Board and notified in the official gazette.

45. Whenever it is found that any amount due to the Board or a Committee is irrecoverable or should be remitted, or whenever any loss of the Board's or a Committee's money or stores or other property occurs through the fraud or negligence of any person or for any other cause and such property or money is found to be irrecoverable the facts shall be reported to the Board or Committee, as the case may be, and the Board with the approval of the Government and Committee with the approval of the Board, may order the amount or value of the property to be written off as lost, irrecoverable or remitted, as the case may be, provided that in case of Committee, if in any case the amount due or the value of such property is in excess of one hundred rupees, such order shall not take effect without the approval of the State Government.

Power to write  
off irrecoverable  
fees, etc.

46. (1) With the previous approval of the Chairman of the Board, a Committee or with the authorisation by a resolution of a Committee, its Chairman, may accept from any person against whom a reasonable suspicion exists that he has committed an offence under this Act or any rule or bye-law made thereunder, a sum of money by way of composition for such offence.

Power to com-  
pound offences.

Repeal and  
Savings.

(2) On the payment of such amount of money to the Committee or to its Chairman, as the case may be, the suspected person, if in custody shall be discharged, and no further proceedings shall be taken against such person.

47. The Punjab Agricultural Produce Markets Act, 1939, and the Patiala Agricultural Produce Markets Act, 2004 B. K., are hereby repealed :

Provided that such repeal shall not affect—

- (a) the previous operation of any Act so repealed or anything duly done or suffered thereunder ; or
- (b) any right, privilege, obligation or liability acquired or incurred under any Act so repealed ; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against any Act so repealed ; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid ;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed, as if this Act had not been passed :

Provided further that anything done or any action taken under the Acts so repealed shall be deemed to have been done or taken under this Act, and shall continue to be in force accordingly, unless and until superseded by anything done or any action taken under this Act :

Provided further that the State Marketing Board constituted under the Patiala Agricultural Produce Markets Act, 2004 Bk., and

functioning immediately before the commencement of this Act shall, till a Board is established and constituted under section 3, be deemed to be the State Agricultural Marketing Board for the purposes of this Act and all employees in the service of the State Marketing Board immediately before such commencement shall be deemed to be the employees of the State Agricultural Marketing Board and their emoluments and other conditions of service shall not be varied to their disadvantage :

Provided further that the Market Committees functioning immediately before the commencement of this Act shall be deemed to be constituted for the first time under subsection (4) of section 12 and their members including the Chairman and Vice-Chairman shall hold office until new Committees set up under this Act are notified '[ \* \* \* ]'

---

<sup>1</sup>The words "or the expiry of six months from the enforcement of this Act, whichever is earlier" Omitted by Punjab Act 3 of 1962.



## THE SCHEDULE

[See section 2(a) and section 38]

- <sup>1</sup>[1. Wheat (Kanak).
2. Barley (Jau).
3. Maize (Makki).
4. Great Millet (Jowar).
5. Spiked Millet (Bajra).
6. Paddy and Rice (Dhan and Chawal).
7. Gram and Kabli Gram (Chana Kala and Safaid).
8. Green Gram (Mung).
9. Black Gram (Mash).
10. Phaseolus aconitifolius (Moth).
11. Lentil (Massur).
12. Indian Colza (Sarson).
13. Indian Rale (Toria).
14. Rochet (Tara Mira).
15. Cotton Seed (Banaula).
16. Ground-nut (shelled and unshelled) Mung Phali).
17. Cotton (Ginned and unginned) (Kapas and Rui).
18. Gluster Bean (Guara).
19. Dry and Green Fodder (Suka and Subaz Chara).
20. Potato (Alu).
21. Sweet Potato (Shakarkandi).
22. Onion Dry (Piaz Khushak).
23. Arum (Arvi).
24. Cauli Flower (Phul Gobi).
25. Cabbage (Band Gobi).
26. Carrot (Gajjar).
27. Radish (Muli).
28. Turnip (Salgam).
29. Tomato (Tamator).

---

<sup>1</sup>Items 1 to 45 substituted by G.S.R. 111<sup>r</sup> dated 24th July 1963.

30. Brinjal (Baingan).
31. Lady Finger (Bhindi).
32. Peas Green (Matar Hara).
33. Garlic Dry (Lashan Khushak).
34. Orange (Malta).
35. Chillies (Dry and Green) (Mirach Khushak and Hari).
36. Gur.
37. Shakkar.
38. Khandsari.
39. Dry Peas (Matar Khushak).
40. Water Melon (Tarbuz).
41. Wool (Oon).
- <sup>1</sup>[42. \* \*].
43. \* \*].
- <sup>2</sup>[44. \* \*].
- <sup>3</sup>[45. \* \*].
- <sup>4</sup>[42. Tinda Gourd (Tinda).
43. Bottle Gourd (Lauki).
44. Pumpkin round (Ghia Kadu).
45. Squash or Red Gourd (Halwa Kadu).
46. Bitter Gourd (Karela).
47. Cow Peas (Lobia).
48. French Beans, Rajmaha and Soya Beans.
49. Long Melon (Tarr).
50. Elephant Foot (Ziminkand).
51. Cucumbar (Khira).
52. Chappan Kadu.
53. Turmeric (Haldi).
54. Musk Melon (Kharbooza).
55. Mango (Am).

<sup>1</sup>Items 42 and 43 omitted by G.S.R. 39 dated 2nd March, 1965

<sup>2</sup>Item 44 omitted by G.S.R. 190, dated 24th July, 1963.

<sup>3</sup>Item 45 Omitted by G.S.R. 289 dated 4th Dec., 1962.

<sup>4</sup>Items 42 to 76 added by G.S.R. 93 dated 16th April, 1966.

56. Mandarin (Sangtra).
57. Lime (Nimboo).
58. Lemon (Galgai and Khatta).
59. Apple (Saib).
60. Guava (Amrud).
61. Pear (Nashpati).
62. Anar.
63. Sweet Lime (Mitha).
64. Apricot (Khurmani).
65. Plum (Alu Bukhara and Alucha).
66. Peach (Aru).
67. Litchi.
68. Sapota (Chikoo).
69. Loquat.
70. Castaud Apple (Sharifa).
71. Walnut (Akhrot).
72. Sag (Palak and Saron).
73. Ginger (Adrak).
74. Henna (Mehndi).
75. Goat Hair.
76. Camel Hair].